



# FOREIGN POLICY bulletin

AN ANALYSIS OF CURRENT INTERNATIONAL EVENTS

VOLUME 38 NUMBER 24

## The UN and Outer Space

by William R. Frye

UNITED NATIONS—The United Nations is attempting to bring the entire planet earth together in a cooperative effort to explore outer space.

This is a tall order. The planet earth is torn by so many rivalries and quarrels that only small segments seem able to cooperate in anything. But if the UN could pull it off, this accomplishment alone would more than justify its existence, diplomats here feel.

The UN is using a carrot rather than a stick. (Indeed, the UN has no stick.) Its carrot is the promise of a veritable cornucopia of benefits—benefits for everyone, just at hand—if there is cooperation in the peaceful use of outer space.

The Russians, to date, have been from Missouri. Believing themselves to be substantially ahead of the rest of the world in space science, they can see little or nothing in it for them—aside, perhaps, from some propaganda advantages—if they share their information and techniques with others. But this is a short-sighted view, and the UN is doing its best to persuade them of that fact. The persuasion, to date, has been at arm's length; the Russians have refused to take part even in the pre-

liminary thinking and planning sessions.

Here are some of the benefits the UN says can be reaped by everyone, including the Russians, if space exploitation is made a joint venture:

1. *Weather forecasting.* The earth's surface includes such large areas of water, ice and desert that only about one-fifth of the atmosphere is regularly under observation by present techniques—ground stations, weather-sampling aircraft and balloons. As a result, storms and sharp changes in temperature often arrive in populated areas with little or no warning. The weather man is so frequently wrong that the man in the street thinks of weather forecasting as educated guesswork—which, to a large extent, it is.

Cooperative space exploitation could change all this and make the daily weather forecast very nearly as reliable as the annual tide chart. It could make accurate weather forecasts possible weeks in advance.

One technique is the launching of vertical rockets equipped to eject small bits of metal foil. The foil, carried by the wind, can be traced by ground radar, and thus wind velocities and directions can be mapped at various

SEPTEMBER 1, 1959

FOREIGN POLICY ASSOCIATION INCORPORATED  
345 EAST 46TH STREET • NEW YORK 17, NEW YORK

PRODUCED BY UNZ.ORG  
ELECTRONIC REPRODUCTION PROHIBITED

levels of the atmosphere. Rockets also can be used to measure pressures, temperatures and humidities at various altitudes. They can carry cameras equipped with TV-type transmitters to photograph cloud areas from above, thus locating squalls, hurricanes, typhoons and similar disturbances.

Earth satellites could do even more. Properly distributed, they could keep track of every major storm in the earth's atmosphere, detect new ones as soon as they were born and supply a continuous global weather map. UN experts say that as few as six to eight satellites in polar orbits 500-1000 miles up, plus several more in equatorial orbit 20,000 miles up, would do the job very well.

For maximum efficiency, however, tracking and telemetering stations scattered throughout the world would have to monitor the sputniks, and dozens of countries should launch simultaneous sounding rockets, reporting information thus obtained to a central clearing house. This obviously would require close international cooperation.

### Everyone Must Cooperate

Everyone would gain, the UN points out—but everyone would have to help. It is everyone's weather. One day it might be possible to experiment with joint and cooperative control of weather patterns.

2. *Improved weather communications.* The UN estimates that a system of perhaps 25 satellites equipped to reflect radio signals, plus as few as 3 sputniks in equatorial orbit, 120

degrees apart, doing the parallel job of recording messages and re-broadcasting them, could provide a system of world-wide communications beside which present-day ocean cables would look like relics of a horse-and-buggy age.

But again there is the proviso: everyone would have to cooperate. There would need to be agreement on allocation of radio frequencies, or the result would be a chaotic babble.

3. *Manned space flight.* Within a very short time men will venture

Vera Micheles Dean is traveling this summer in West and East Africa, gaining first-hand impressions of African leadership and the economic and social conditions with which they must deal. She will contribute BULLETIN articles on developments in those areas in forthcoming issues.

into space—first, in rockets, then in orbiting vehicles. In a matter of decades, man will “reach, investigate and return from the moon, interplanetary space and ultimately at least the near planets,” to quote from the report of a UN technical committee.

Who will come back first and report to the earth what it is like on the moon? Will he try to classify the information “top secret?” Will he bring back biological, chemical or radiation contamination? Will he know of dangers that subsequent explorers could avoid?

Cooperation among countries doing this kind of exploration obviously would multiply the benefits, reduce the dangers and hasten the achievements of the adventure.

And all this is just the beginning. There are scores of other areas in the space field where cooperation would be either helpful or essential—many of them already spelled out in the UN's first studies. Some people propose that the UN itself undertake to explore outer space. They argue that the subject is too important to risk the possibility, and the consequences, of competition. But countries would first have to be willing to turn the job over to the UN. Moreover, it would be a fabulously expensive undertaking, and in practice most of the cost probably would have to be borne by the United States.

At least for the time being, therefore, the UN simply plans to set up under Secretary-General Dag Hammarskjöld a central clearing house to collect, coordinate and disseminate information—thus offering to individual governments a means of cooperating when and if they recognize the need of it.

It is a halting first step. One day, the people on planet earth may be lured, or forced, to bury their hatchets and come together because of the prospects and the dangers involved in the new dimension which has been added to their lives.

Mr. Frye, a member of the staff of *The Christian Science Monitor* since 1941, has been its United Nations correspondent for eight years. This article is being published in preparation for United Nations week—October 18-24.

Published twice a month by the FOREIGN POLICY ASSOCIATION, INC., 345 East 46th Street, New York 17, N.Y., U.S.A. EDITORIAL ADVISORY COMMITTEE: JOHN S. BADEAU • BENJAMIN J. BUTTENWIESER • JANE PERRY CLARK CAREY • BROOKS EMENY • RICHARD N. GARDNER • WILLIAM P. GRAY • AUGUST HECKSCHER • HAROLD F. LINDER • MARGARET PARTON • STEPHEN H. STACKPOLE • *President*, JOHN W. NASON • *Editor*, VERA MICHELES DEAN • *Washington Contributor*, NEAL STANFORD • *Assistant Editor*, GWEN CROWE. • *The Foreign Policy Association contributes to the public understanding by presenting a cross-section of views on world affairs. The Association as an organization takes no position on international issues. Any opinions expressed in its publications are those of the authors.* • Subscription Rates: \$4.00 a year; single copies 20 cents. RE-ENTERED AS SECOND-CLASS MATTER SEPTEMBER 26, 1951 AT THE POST OFFICE AT NEW YORK, N.Y., UNDER THE ACT OF MARCH 3, 1879. Please allow one month for change of address. Contents of this BULLETIN may be reproduced with credit to the Foreign Policy Association.

347

Produced under union conditions and composed, printed and bound by union labor.



## President to Try Personal Diplomacy

A new chapter in East-West diplomacy is opening—and where it will end, no one can know. Some say it began with the death of John Foster Dulles, who believed so completely that foreign ministers were the best instruments for conducting foreign policy. But specifically it began with the President's announcement, August 3, of his decision to fly to Europe to see France's president, Charles de Gaulle, British premier, Harold Macmillan, and West Germany's chancellor, Konrad Adenauer; to exchange state visits with Soviet Premier Nikita S. Khrushchev; to be his own spokesman on foreign policy.

That this decision came at the same time as the collapse of the frustrating foreign ministers' talks in Geneva was not entirely coincidental. What seems clear is that President Eisenhower this past summer has slowly been reaching the conclusion that if Khrushchev would only do business at the top, then the top it would have to be.

Finally convinced of this, the President decided to shift from sterile foreign ministers' talks to the fertile field of unfettered conversation by heads of government. It was in its way a very daring decision—one that John Foster Dulles would unquestionably have frowned on—and one that is replete with pitfalls. President Eisenhower, however, must feel he can pull it off, though he is surely aware it will tax his acumen and skill to the utmost. It must be remembered that he will be meeting Khrushchev on the latter's chosen field and with his chosen weapons—at a bilateral meeting and with no agenda.

The President makes what he considers an important distinction between Khrushchev's coming to the United States on a state visit and Khrushchev's coming to a summit meeting in the United States. The first is ceremonial, exploratory, educational; the second is official, a negotiating operation, definitive. But the question is whether Mr. Khrushchev makes the same distinction. The President may be surprised to find that while he considers his meetings with Khrushchev official but informal, the Soviet premier intends to make them formal as well as official.

That the President has decided to embark on a new and uncharted diplomatic move in personal diplomacy can hardly be criticized. It is believed quite firmly in official and informal quarters in Washington that the whole Berlin crisis was created last fall by Premier Khrushchev just to accomplish what has now occurred—to win an invitation to visit the United States and to get into purely bilateral talks with the American President. If so, then the Kremlin's tactics and strategy at Geneva over Berlin have paid off handsomely.

### Soviet Aims

Before one discards this explanation of Geneva's frustrations it would be well to recall that the Soviet Union (whether its spokesman be Stalin or Khrushchev) is consumed with two purposes: to be diplomatically accepted as coequal with the United States; to put world diplomacy on a Russo-American basis. It was Stalin and Hitler who divided the world into spheres of influence.

What Khrushchev has accom-

plished, as a result of the Berlin crisis and the frustrations at Geneva, is to achieve these two ambitions—if not completely, at least enough to present them as attainments of Soviet goals.

As one looks back on the weeks of foreign ministers' talks in Geneva, it can readily be seen that they ended up just about where they started. The West would accept a five-year extension of the *status quo* in Berlin, but only if there was no unilateral change later except by agreement; the Soviets would agree to a *status quo* for 18 months—but make no commitment about what would happen later. As for German reunification, the Soviets insisted that an all-German committee should discuss the country's future; but the West, seeing in this a bid to get Western recognition of East Germany, stuck to its position that Germany's future was a matter for the Big Four—though German advisers could be added. That has left the German issue, just as the Berlin issue, about where it was when the Geneva talks opened; and, more ominously, has left Khrushchev free to create another Berlin crisis after he has harvested all the benefits he can from an American visit and bilateral talks with President Eisenhower.

The President's dilemma—which he decided to tackle by personal diplomacy—was basically whether, for the sake of world peace, to play ball with the Soviets in a game rigged in their favor, if that is the only way they will play, or to call the game off altogether. Quite possibly the President chose to play it Moscow's way because he really had no choice.

NEAL STANFORD



## What Are the Chinese Communes?

Physically, a commune is not particularly startling. At present it is not much more than a collection of villages scattered through open countryside and covering an area not much bigger than a county. It is what the commune represents psychologically that makes it so important. Instead of payment for his services, the Chinese peasant today receives food, shelter and clothing. And in return, he provides the state with the greatest source of manpower and human energy ever harnessed anywhere at any time in history.

Before entering China I had read, largely in reports written out of Hong Kong, that families had already been split up, with husbands and wives living in separate dormitories and meeting only a few hours a week under a so-called "Saturday night" arrangement of privacy. I found no evidence to support these reports which, I believe, do a disservice to the West because they fail to recognize the subtlety of the Chinese Communist techniques. So far as I could determine, there was no effort to isolate wives from their husbands; on the contrary, even the so-called "high houses"—the two-story apartment blocks of the future—call for what the Chinese consider modern, lavish living—a one-room flat per family, with the operative word being "family."

It is easy to dramatize the vision of male and female societies, with the commune functioning as nothing more than a vast stud farm, in which the state can raise children as it sees fit. Such a concept does not take into account the history of Chinese peasants, who are capable of developing at least passive resistance against blatant measures which they consid-

er contrary to their own interests. Nor does it perceive that a far simpler, and more insidious, master plan is already under way. Thanks to the highly developed art of "persuasion" and inherent Chinese patience in dealing with the human element, the Communist regime is able to move in gentle ways, extending itself to what it believes is the limit, then withdrawing slightly under public pressure, but always aware that a gain has been made in attaining a thoroughly conformist society.

How do the peasants regard their new life? When I was there some people complained about the long hours—12 hours in the fields, and then a couple more at the blast furnaces. But the regime was able to handle this complaint without difficulty. It would be a mistake to assume that communal life is something forced on the peasantry from above. In China that is not the way it is done. Movements start *below*, obviously with the connivance of party workers, who, however, bear in mind what will be acceptable to the people. I think that even Peiping was surprised at the rapid way in which communes spread from one district to another.

Chatting with local leaders, I could easily sense the vigor with which they approached their own people, in rallies and in village-to-village marches, inciting them into acceptance of the commune as the end result of all their labors and the beginning of the eternal happiness promised by Mao Tse-tung. "Many of the villagers," a 17-year-old battalion commander told me, "were so inspired that they renounced the few pigs which they kept as their own stock. The pigs now belong to the

commune." This report was slightly misleading, as we know from later developments when the regime said that, for the time being, peasants might keep a little private livestock. Nevertheless, the ultimate objective was pinpointed: the elimination of all private possessions.

China's new-style mandarins are not, as might be expected, academic experts sent out from the cities and universities. Nor are they, in the Russian style, alien party bosses suddenly thrust into command of a people who would resent strangers. The ones I met, all incidentally under the age of 30, came from the district, were the sons and daughters of local farmers, and, in fact, had gained Communist party membership only in the last few years. This employment of local cadres served, of course, to heighten the illusion of self-government.

I asked one peasant how he felt about once having owned his own little plot of land and now owning nothing—because the land, of course, belongs to the commune. "I am happy," said the peasant, "because now I have no worries." I think he was reflecting the feeling of a great number of people. The thing to remember is that we are talking about an Asian people, whose chief worries in the past were hunger and poverty. We tend to forget, in our life of plenty, how basic a consideration food and shelter can be to a people who have experienced famine, cold and starvation over the centuries. If Mao Tse-tung promises—and delivers, as he is now doing—better nourishment and greater warmth than the Chinese have ever known, this, to them, is the first consideration.

(Continued on page 192)



## Iran: Again a Bridgehead

by Jane Perry Clark Carey and  
Andrew Galbraith Carey

Mrs. Carey, formerly assistant professor of government at Barnard College, and Mr. Carey, former business executive and government official, are students of foreign affairs. They have recently returned from an extended trip to Iran on the invitation of various oil companies.

In a speech before the Foreign Press Association of London in May the Shah of Iran dwelt on invasions and occupations of parts of Iran in the past. His speech served to point up the fact that Iran, although teeming with a new vitality and sense of change, and primarily Western in orientation, is still profoundly affected in outlook by its history. To understand the country one must look beyond the rush of the daily newspaper headlines and examine its past, as well as its geographic location and religious pattern.

The Iranians are a justifiably proud people. They remember that in their early historical period, the Achaemenid (553 to 330 B.C.), they established the first great world empire. Their culture, one of the greatest in world history, has not only failed to succumb to the wave after wave of invasion to which their strategic location exposed them, but has permeated the culture of many of their conquerors.

Iran has common frontiers with Russia, Iraq, Turkey, Afghanistan and Pakistan, and has been a land bridge between East and West—a bridge which for hundreds of years carried the main trade routes between East and West and from the vast Russian spaces down to the gulf. Thus control of Iran has been desired by various countries. Nor has the development of the Iranian oil deposits since their discovery in commercial quantities in 1908 lessened that desirability. Modern military needs have added further to Iran's importance.

Russia's interest in Iran long ante-

dates communism. Ever since the time of Peter the Great, Russia has dreamed of a warm water port. Its drive today is intensified by the ambitions of international communism, which have been added to those of Russian nationalism. The Iranians bitterly recall not only Russian bombing of their shrine at Meshed but the numerous Russian occupations of their country, especially during 1941-46, when Moscow's control of Azerbaijan and its attempt to set up a puppet government caused Iran to submit the incident to the United Nations Security Council.

### Russia's Influence

Iran's hostility toward Russia, however, must be tempered by its some 1,000 miles of border with the U.S.S.R., for Iran again could be rapidly overrun by its northern neighbor. Moreover, Iran cannot afford to neglect its annual exports of rice, cotton and caviar—the best "Russian caviar" comes from the deep waters of the Iranian end of the Caspian Sea—to the U.S.S.R. and its Eastern European satellites. Traditionally, therefore, Iran, like some other Middle Eastern countries, has maintained its existence by keeping a careful balance between Russia and the West.

It is thus understandable why the Iranians were willing to discuss a pact of nonaggression with representatives of the U.S.S.R. last January, but equally understandable that they were not willing to enter an agreement banning any defense arrangements with the United States, to which they are bound through the

Baghdad pact and the Eisenhower Doctrine, to say nothing of the personal sympathies of many Iranians and of Shah Mohammed Riza Pahlavi himself.

In early March the Shah signed a bilateral defense pact with the United States. Some in Iran felt that he had gone too far in his complete espousal of the Western cause for the good of his country or even of that of the Western alliance because he was laying Iran and the West open to serious harassment by the Russians. For the most part, however, the Shah appeared to have the support of the country, which courageously went along, ignoring the Russian threat that Iran, as a result of the defense treaty, would be considered an enemy of the Russians. Soon after, Iran denounced parts of its 1921 treaty with the U.S.S.R. When that treaty had been negotiated, Iran had been overrun with the White Russian and other anti-Communist refugees, who might easily have used it as a base for counter-revolutionary movements against the then-young U.S.S.R. Certain articles of the treaty, therefore, had given the Russians the right to send troops into Iran if they considered themselves threatened by hostile bases on Iranian territory. In 1959 the Iranians abrogated those clauses as no longer applicable.

No sooner had the agreement with the United States been signed than a violent propaganda campaign poured across the Russian border. Despite the power of the adversary, Iran replied in kind, and courageously gave back blow for blow. The

Iranians had to rely strongly on their belief that they would not be subjected to an all-out Russian military attack before Western aid could reach them.

Some of the Russian broadcasts, however, contained a disquieting element of half truth. Although significant strides have been made by Iran in conquering poverty, disease and illiteracy, the country is still faced with serious problems along those lines. Thus Russia's propaganda campaign could affect those to whom the benefits of Iran's oil and other wealth are insufficiently available.

Iran's feeling toward Iraq on its western border also helps to explain that other factors are tied in with its fear of the current political situation in Baghdad. Subjected to occupation by the Arabs for 400 years during the Middle Ages (641-1055 A.D.), the Iranians even now are quick to emphasize that they are not Arabs.

### **Oil: Iran's Resource**

Iran's attitudes toward foreign countries have been reflected particularly in its policies on exploitation of its oil resources. In 1951 the Iranian oil industry was nationalized by Prime Minister Mohammed Mosaddegh, and the properties of the Anglo-Iranian Oil Company in Iran were taken over by the government. The practical cessation of oil production and export at that time caused not only financial havoc in the country but soon brought about a realization that foreign cooperation was necessary to correct the situation. Only three years later an agreement was concluded between the Iranian government and a consortium of American, British, Dutch and French oil companies. Today the Iranian government still owns the oil resources of Iran, but the consortium is solely responsible for exploration and production in the area of southern Iran allotted to it. Profits

are divided on a 50-50 basis between the consortium and the Iranian government. In general the two partners have cooperated well under the agreement—certainly well enough to have made the Iranians come to think it desirable to have more foreign participation in the exploitation of their oil. By a law of 1957, the area of such participation has been widened. The Iranian government decides periodically when and what other sections of the country may be opened for bidding by foreign companies. Certain parts of Iran, however, such as the oilfields near the sacred city of Qum, are reserved for national operation and worked directly by the Iranian Oil Company.

The first foreign company outside the consortium to enter an agreement for oil concessions in Iran was the Italian government enterprise, AGIP-Mineraria, a subsidiary of the Ente Nazionale Idrocarburi, generally known as ENI, which signed a contract with Iran in 1957, followed the next year by Standard Oil of Indiana and by Sapphire Petroleum of Canada. All three of these agreements were undertaken on what appear to be more favorable terms to the Iranians than the 50-50 deal of the consortium, for all operate on what has been called a 75-25 formula in favor of the Iranians, although to obtain 75 percent of profits, Iran must provide half of the development expense; it provides none under the 50-50 division. It may well be, however, that the Iranian gain from the 75-25 division will be more psychological than financial, for none of the new operators have established markets for production which compare in magnitude to those of the consortium member companies. The former chairman of the consortium says: "Do they want less of more or more of less?"

A price cut of 18 cents a barrel for most Persian Gulf crude oil was an-

nounced the latter half of February 1959 by the consortium. This meant that, on the basis of the 1959 exports anticipated at the time, the Iranian government would receive \$26.5 million less for its oil this year than without the cuts. Although there had been similar cuts in the price of all other Middle East crude oils as well as those of the United States and the Caribbean, public opinion in Iran appeared unprepared for the action. After the initial shock the National Iranian Oil Company explained the reasons for the cut, but various individuals and newspapers nevertheless jumped to the conclusion that the price cuts were discriminatory. This issue was taken up in Parliament (the Majlis) where at least one speech was made violently attacking the consortium. In any case, the loss in revenues was such a serious blow to the country that the consortium was urged by the Shah to produce and export in 1959 enough oil over the programmed quantities to compensate for the price drop.

### **How Iran Plans**

A large part of the revenue received from the oil industry is used for one of the most important developments in the Middle East in recent years, the Iranian Seven-Year Plan and the Plan Organization, which is responsible for executing the plan. Iran's development is largely determined by its topography. It is about equal in size to Texas, New Mexico, Arizona and Colorado combined and has the land and many unexploited natural resources to accommodate a larger population than its present nearly 20 million. For the most part the country is a plateau over 4,000 feet high, from which project great jagged mountains, and to the east and south of the country are great barren deserts and salt flats, largely uninhabitable. In the country at large most of the people live in or

near the mountains, where there are poor roads, and in many places none at all. A second almost equally crying need is for water. There is little rainfall except near the Caspian coast.

To remedy these situations and achieve economic development and industrialization, Iran in 1949 began to plough a major portion of its oil revenues back into the country's economy by investing them in a seven-year program of planned development.

The plan had done little more than get off the ground when the cessation of oil exports and of funds for it forced the government to divert money intended for the plan to meet some of its budgetary deficits. Scattered programs were carried forward during the period largely through funds allocated from United States financial aid. With the establishment of the consortium and the resumption of oil revenues the program was reassessed and rescheduled. A second Seven-Year Plan went into effect early in 1956 with four important aspects: (c) communications, including roads, railroads and telecommunications; (2) agriculture and irrigation; (3) industries and mines; and (4) social services, in the broad sense of the term, including public health and education.

Before the expiration of the first Seven-Year Plan, Dr. Abol Hassan Ebtehaj, former head of the National Bank of Iran and then an official of the International Bank in Washington, was appointed managing director. His appointment augured well for the plan's development for he was able, honest and devoted, and dreamed and breathed nothing but the plan.

The Plan Organization undertook long-range development projects and even entered the field of operations. An aspect of its work particularly interesting to Americans has been its

decentralized activity because of the large size of the country—and the diversified conditions of its economy. Under the wise leadership of Dr. Ebtehaj, experts were brought in from different foreign countries, not only to ensure a background of technical knowledge, but also their freedom from local entanglements and to make it clear that Iran was not favoring any one foreign nation above any other. Realizing the necessary similarities in approach to that of our Tennessee Valley Authority, the Development and Resources Corporation of New York, headed by Dr. David E. Lilienthal and Mr. Gordon R. Clapp, both former chairmen of the TVA, was called in to carry out the development of the southwest province of Khuzistan. This province is vast in size—about half as large again as the Tennessee Valley—and one of the rich and cultivated areas of Persian antiquity, but in the absence of dam construction, now desolate. In the great southwestern Baluchestan area, desert since the dawn of history, the Italian firm *Italconsult* was called in to work out plans suitable for that barren and difficult territory.

Just over a quarter of plan funds must be devoted to projects designed to have an immediate effect, and half the costs have been offered the municipalities for such urgently needed developments as provision of water supply, sewage systems, electric power, street construction and asphalt-ing. Many towns and villages have lacked funds to foot their share of expenses even with a liberal borrowing arrangement, but in spite of this by 1959 almost 300 villages have begun to look forward to the future.

### Change in Plan Operations

Toward the latter part of February Parliament suddenly transferred the duties and responsibilities of the managing director of the Plan Or-

ganization to the prime minister, Manouchehr Eghbal, together with the requirement for a reorganization to be worked out by the end of August and for agencies to supervise its affairs, especially with respect to finances. Director Ebtehaj resigned on the spot and the prime minister took personal charge.

The change, although sudden, had been brewing for some time. The expenditures of the large Plan Organization were running ahead of its income, and the organization was impinging on the prerogatives of some of the ministries by carrying out many projects through its own contracts. In theory a planning organization should not also be an operating agency. The difficulty was that the plan was carrying out its programs so effectively that some people felt the operations would be less well performed with the bureaucratic headaches and political restrictions necessarily incumbent on a ministry, not only in Iran, but in any country. Italy, for instance, faced the same difficulty when the *Cassa per il Mezzogiorno* was criticized for a similar exercise of operating power.

After Dr. Ebtehaj had been dropped, the Plan Organization continued to go its way along much the same road it had previously followed, although with greater attention to its reduced finances. The only change apparent so far has been abandonment of the idea to carry out some of the regional development contracts. The Karman Development Corporation, for instance, was asked to suspend further activities, and negotiations with British, French and Japanese firms for similar contracts in other parts of the country were called off.

If the plan is allowed to follow its course unhindered by external or internal political problems, it will change the face of Iran in a way that will ultimately raise the country's



standard of living in a high degree. Aside from political struggles, the real battle is for time. Peasants who have lived under feudal conditions for many centuries cannot be made self-reliant and independent overnight even under the best of conditions. City dwellers, caught in the cycle of rising prices, and university students with no prospect for employment other than government service, cannot take a long-range view of economic development. Only if it is possible for the living standard of all these people to rise rapidly will the inherent dangers in the situation be lessened. Iran is now strongly on the side of the West, but the situation might change if the Western world sees in Iran nothing more than a military ally, important as that is. In its attempt to raise its people from misery and poverty, Iran needs backing and understanding, not for our sake, but for its own.

READING SUGGESTIONS: Richard N. Frye, *Iran* (New York, Holt, 1953); Herbert H. Vreeland, ed., *Iran* (New Haven, Human Relations Area Files, 1957; Donald N. Wilber, *Iran, Past and Present* (Princeton, N.J., Princeton University Press, 1958).

## Clark

(Continued from page 188)

Today every peasant troops into a mess hall, gets all the rice he can eat and knows that the commune will provide him with two or three suits of work clothes a year. In one com-

mune the people told me very proudly that in addition to unlimited vegetables they now get pork twice a month. When I remarked that this did not seem like much, I was reminded that in this particular area they used to get meat twice a year, at festivals.

In the past, during the winter, when there was little farm work to do, people had scant ways of earning a livelihood. There was no industry in the rural districts. Now they have their cottage workshops and small factories. There is not much yet in the way of manufactured goods—mostly such things as sulphuric acid, ball bearings and fertilizer—but at least it is a beginning, and it is part of a startling new policy which says: "Don't wait for the big mills or factories in the cities. Mills and factories take time to build and put into operation; meanwhile, use your millions, in their huts and fields, and let industrialization rise in the cottage and village workshops side by side with agriculture." By this mass effort Communist China last year doubled its steel output. Peiping is leaving it to the U.S.S.R. to try and catch up industrially with the United States. Its own target is Britain. Originally, Communist China gave itself 15 years; at the rate it is now going, it may match Britain's over-all industrial strength

within the next 10 years. In steel alone, the keystone of mechanization, China's target this year is 18 million tons—the same as Britain's annual production.

What about quality? Much of the iron and steel so far is low grade. But I do not think this is the point. The rough metal is good enough for simple plows and other farm tools, for which there is great need, especially since a bumper harvest last year nearly exceeded that of the United States. And now that the Chinese are getting quantity they can start concentrating on quality. Meanwhile, they are making automobiles for the first time in their history, and power plants, and masses of consumer goods. Aside from the fact that Chinese industry is raising the standard of living of the people, it gives the Communists a tremendous weapon in the battle to win over to their way of life such nations as India and the rising nations of Africa. Today the threat from China is not a military one: it is an economic one.

GERALD CLARK

Mr. Clark is the chief foreign correspondent of *The Montreal Star*, with headquarters in London. He visited China in late 1958 and has just completed a book, *Impatient Giant: Red China Today*, which will be published by McKay in the fall. This article was extracted from a speech given by Mr. Clark on May 2 at the annual conference of the World Affairs Council of Northern California at Asilomar.

## FOREIGN POLICY BULLETIN

345 East 46th Street, New York 17, N. Y.

### In this issue:

The UN and Outer Space—W. R. Frye.....	185
President To Try Personal Diplomacy— N. Stanford .....	187
What Are The Chinese Communes?—G. Clark.....	188
Iran: Again A Bridgehead— J. P. C. Carey and A. G. Carey.....	189

### In the next issue:

A Foreign Policy Forum— Does U.S. Have Arms It Needs?
--

MR. PAUL MANLEY  
17917 SCHENELY AVE.  
CLEVELAND 19, OHIO

PEN-3

CL